GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2981
ANSWERED ON:07.12.2001
INTEREST ON BORROWERS
PRABHUNATH SINGH

Will the Minister of FINANCE be pleased to state:

(a) whether out of the total revenue of the State, half of that is paid as interest to borrowers;

(b) if so, the facts thereof; and

(c) the steps taken by the Government to improve its fiscal management?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) & (b): The interest payment by Central Government as a percentageof its total revenue receipts during the last five years is as follows:

Year	Interest Payment as percentage of Revenue Receipts
1997-98	49.02%
1998-99	52.10%
1999-2000	49.72%
2000-2001(R.E)	48.83%
2001-2002(B.E)	48.46%

(c): Government has taken several expenditure management measures viz. zero-based budgeting, review of subsidies and their rationalization, review of staffing norms and down-sizing of the Government, reduction in administered interest rates, etc. and is making all efforts to increase tax collections with a view to containing the revenue and fiscal deficit. Moreover, Government has introduced a Bill titled `Fiscal Responsibility and Budget Management Bill` in Lok Sabha on 21st December, 2000. The Bill provides, inter-alia, for a legal and institutional framework to eliminate revenue deficit, bring down the fiscal deficit and contain the growth of public debt in proportion to GDP within a time-frame.